



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 12/4/2001

GAIN Report #NZ1047

## **New Zealand**

### **Fishery Products**

# **New Zealand Seafood Industry Situation & Outlook 2001**

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**Report Highlights:** In just 20 years New Zealand's seafood industry has tripled annual exports from about NZ \$500 million (US \$210 million) to NZ \$1.4 billion (US \$588 million) in 2000, including a NZ \$200 million (US \$84 million) aquaculture sector. Over the last three years, the value of New Zealand's seafood sales revenues has increased at an annual rate of around 7 percent. The volume of product traded, however, has declined as companies have moved towards more value added products. The weaker New Zealand dollar contributed significantly to export sales growth in 1999/2000. The industry hopes that aquaculture can provide significant expansion over the next five years, but this will be affected by a recent two year moratorium on new aquaculture developments.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Wellington [NZ1], NZ

## **The New Zealand Seafood Industry**

In just 20 years New Zealand's seafood industry has tripled annual exports from about NZ \$500 million (US \$210 million) to NZ \$1.4 billion (US \$588 million) in 2000, including a NZ \$200 million (US \$84 million) aquaculture sector. Over the last three years, the volume of New Zealand seafood sales revenues have increased at an annual rate of around 7 percent. The volume of product traded has declined as companies have moved towards more value added product forms thereby reducing bulk (export volume in 2000 totaled 280,000 tons). The weaker New Zealand dollar contributed significantly to export sales growth in 1999/2000. About 90 percent of the industry revenue comes from exports.

The outlook for the next one to three years is for more difficult trading conditions. How difficult will be determined by the extent and duration of the world economic downturn that commenced late in 2000 and was worsened by the terrorist attacks of September 11. Demand for seafood products- especially in the U.S. and Northern Europe- strongly reflects the general state of the world economy. By enhancing the value of products and expanding the aquaculture sector, the industry forecasts it can reach NZ \$2 billion (US \$840 million) in annual exports by 2010.

Hoki and Greenshell Mussels are currently the industry's top performers. In recent years, developments in value-added products and branding and improved seafood storage and handling techniques have brought increased export returns. The industry employs around 26,600 people in 2,500 seafood companies. Annual domestic sales are around NZ \$150 million (US \$63 million).

Total export volume of New Zealand seafood should remain fairly stable during the next five years, although the mix of species and products will continue to change. Reductions in Hoki catch should be compensated in part by a greater proportion of the catch being traded in convenience product/ingredient forms designed to meet the demands of major brand food processors. The quota for Hoki recently was reduced from 250,000 to 200,000 tons. The New Zealand aquaculture sector is expected to expand significantly over the next five years. An estimate of 50% growth was used by the Fisheries Industry Council before the moratorium was put in place in late November 2001 (see policy).

## **Aquaculture**

One of the brightest success stories of New Zealand's seafood industry is aquaculture, the process of farming seafood, either on long lines and inter-tidal racks or in cages, ponds and raceways. Farmed fish and shellfish currently make up around 15% of New Zealand's seafood exports, worth in excess of NZ \$200 million (US \$84 million) in 2000. Nearly one third of New Zealand's total seafood work force is employed in the aquaculture industry. With managed growth the New Zealand aquaculture sector believes it has the potential to achieve NZ \$1 billion (US \$420 million) in international sales by 2020. Aquaculture currently takes up around 4,000 hectares and will need to grow to 17,000 hectares to achieve the sales goal - 17,000 hectares is just 0.1 percent of New Zealand's 12 mile territorial waters.

## **Policy**

In late November, the Government imposed a two-year moratorium on resource consents for new aquaculture developments. The move was announced alongside law reforms giving regional councils greater power to manage and control the development of aquaculture. The moratorium would take affect immediately and allow time for new legislation to be drafted, introduced and passed according to the New Zealand Fisheries Minister. A bill to implement a new management regime would be introduced into Parliament in April, 2002. The proposed changes would enable regional councils to restrict aquaculture to clearly defined areas. Individual sites within those areas would be tendered under the Resource Management Act.

#### Value of New Zealand Seafood Exports ( NZ \$000's)

Market	1995	1996	1997	1998	1999	2000
Japan	351.0	345.7	283.4	257.8	288.6	318.7
USA	252.1	213.3	195.5	205.0	270.7	258.3
Australia	136.7	129.2	130.9	146.7	155.8	167.4
Other Asia	299.3	330.4	349.7	325.4	355.2	401.8
Europe	150.1	120.3	128.0	248.1	230.3	225.6
Other	48.9	42.0	38.0	50.2	33.9	59.2
<b>Total</b>	<b>1238.0</b>	<b>1180.9</b>	<b>1125.4</b>	<b>1233.0</b>	<b>1334.5</b>	<b>1430.9</b>

#### Key Export Species by Value (NZ \$000's)

Species	1995	1996	1997	1998	1999	2000
Squid	159	118	72	64	41	42
Orange Roughy	154	128	106	79	103	84
Hoki	181	178	192	294	324	311
Rock Lobster	114	115	111	102	116	129
Mussels	87	98	86	118	117	169
Snapper	50	47	43	39	40	38